

MEETING NO. 4147
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD WEDNESDAY, FEBRUARY 10, 2016

10:00 A.M.

RETIREMENT SYSTEMS' CONFERENCE ROOM
ONE DETROIT CENTER, 500 WOODWARD; SUITE 3000
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Wendell Anthony	Trustee
Scott Benson	Ex-Officio Trustee/City Council Member
Lori Cetlinski	Trustee
Tasha L. Cowan	Trustee/Interim Vice-Chair
Lou Hatty	Trustee
Felicia Johnson	Trustee
June Nickleberry	Trustee
Thomas Sheehan	Trustee/Interim Chair
David Szymanski	Ex-Officio Trustee/Treasurer

TRUSTEES EXCUSED

Eric Higgs	Ex-Officio Trustee/Deputy CFO
John Naglick	Ex-Officio Trustee/Finance Director

TRUSTEES ABSENT

None

ALSO PRESENT

Cynthia A. Thomas	Executive Director
Deborah A. Wilkerson	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Michael VanOverbeke	General Counsel
Rita Coats	Recording Secretary

INTERIM CHAIR

THOMAS SHEEHAN

The Board's Recording Secretary took a verbal Roll Call at 10:10 a.m. and Interim Chair Sheehan called the meeting to order.

Present at Roll Call: Lori Cetlinski, Tasha L. Cowan, Lou Hatty, Felicia Johnson, June Nickleberry and Thomas Sheehan.

Re: Entering Into Closed Session - via/Teleconference

Resolution Moved By: Trustee Hatty – Supported By: Trustee Cowan

WHEREAS, the Retirement System is subject to the limitation of the Open Meetings Act ("OMA") being MCL 15.261 et seq. and has adopted a resolution on April 25, 2012 relative thereto; **THEREFORE BE IT**

RESOLVED, that the Board enters into Closed Session with Stan Izeman and David Hubbs, of American Realty Advisors, for the purpose of discussing pending transaction regarding River Place Apartments, because in open session would have a detrimental financial effect on the settlement position.

A Roll Call vote was taken as follows:

Yea: Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan - 6

Nay: None

The Board entered into **Closed Session** at 11:10 a.m.

- **Trustee Scott Benson** entered the Board Meeting at 10:16 a.m.
- **Trustee Wendell Anthony** entered the Board Meeting at 10:25 a.m.
- **Trustee David Szymanski** entered the Board Meeting at 10:25 a.m.

Re: Open Session

Motion By: Trustee Anthony – Supported By: Trustee Hatty

RESOLVED, that the Board come out of Closed Session.

Re: Open Session – (Con't)

The Board returned to **Open Session** at 11:17 a.m.

The Board of Trustees extended a warm welcome to newly appointed Trustee David Szymanski. Mr. Szymanski gave a brief background about himself to the Board.

Let the record reflect that Trustee Szymanski participated in discussion, but cannot participate in voting, due to not being sworn in.

Re: River Place Apartments

Motion By: Trustee Hatty – Supported By: Trustee Nickleberry

Motion to approve the sale of River Place Apartments as recommended by American Realty Advisors and the Townsend Group.

Yea: Anthony, Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry, and Sheehan - 8

Nay: None

Interim Chair Thomas Sheehan opened the meeting for public discussion:

Mr. Donald Moore, of Keller Williams Realty, addressed the Board regarding the following:

- Requesting listing of properties

~Concludes Public Comment~

PRESENTATION:

UHY - IT

Re: Roles & Responsibilities

Cindy Hannafey and Marlene Beach, of UHY Advisors, appeared before the Board to give a presentation on how they can help assist the Retirement System with their software selection services.

~Concludes Presentation~

- **Trustee Anthony** left the meeting for the day at 12:25 p.m.
- **Trustee Szymanski** left the meeting for the day at 12:30 p.m.
- ❖ The Board **RECESSED** for **LUNCH** at 12:30 p.m.
- ❖ The Board **RECONVENED** at 1:15 p.m.

Re: Service Retirement(s)

Motion By: Trustee Hatty - Supported By: Trustee Nickleberry

RESOLVED, that the application(s) for **SERVICE RETIREMENT** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Bruce Adams – Water Tech – Water & Sewerage
SERVICE CREDIT	10-0
EFFECTIVE DATE	01-22-16
NAME, TITLE, DEPARTMENT	Kieron Anthony – Plant Technician – Water & Sewerage
SERVICE CREDIT	23-01
EFFECTIVE DATE	01-14-16
NAME, TITLE, DEPARTMENT	Stephen Kuplicki - Manager – Water & Sewerage
SERVICE CREDIT	31-06
EFFECTIVE DATE	02-15-16
NAME, TITLE, DEPARTMENT	Raju Markose – Team Leader - Water & Sewerage
SERVICE CREDIT	28-02
EFFECTIVE DATE	01-27-16
NAME, TITLE, DEPARTMENT	Henry N. Michalak – Chemist – Water & Sewerage
SERVICE CREDIT	32-07
EFFECTIVE DATE	01-27-16
NAME, TITLE, DEPARTMENT	Mohankumar B. Murti – Spec Projects Tech – Water & Sewerage
SERVICE CREDIT	16-06
EFFECTIVE DATE	01-02-16

SERVICE RETIREMENTS – (Con't)

NAME, TITLE, DEPARTMENT	Atul Ambalal Patel – Chemist – Water & Sewerage
SERVICE CREDIT	14-09
EFFECTIVE DATE	01-22-16
NAME, TITLE, DEPARTMENT	Govind C. Patel – Engineer - Water & Sewerage
SERVICE CREDIT	16-06
EFFECTIVE DATE	01-28-16
NAME, TITLE, DEPARTMENT	Kimberly M. Bennett-Ruffin – Office Support Spec – Water & Sewerage
SERVICE CREDIT	28-06
EFFECTIVE DATE	01-11-16
NAME, TITLE, DEPARTMENT	Thomas M. Thomas – Engineer – Water & Sewerage
SERVICE CREDIT	27-0
EFFECTIVE DATE	01-08-16
NAME, TITLE, DEPARTMENT	Arlene Natalie Wells – Plant Technician – Water & Sewerage
SERVICE CREDIT	28-07
EFFECTIVE DATE	01-02-16

Yea: Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan – 7

Nay: None

Re: Early Retirement(s)

Motion By: Trustee Hatty - Supported By: Trustee Nickleberry

RESOLVED, that the application(s) for **EARLY RETIREMENT** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Brian Carter – Water Technician - Water & Sewerage
SERVICE CREDIT	25-0
EFFECTIVE DATE	02-02-16

EARLY RETIREMENTS – (Con't)

NAME, TITLE, DEPARTMENT	Gregory J. Dawkins – Elec Instr Ctrl Tech – Water & Sewerage
SERVICE CREDIT	27-03
EFFECTIVE DATE	01-06-16
NAME, TITLE, DEPARTMENT	Annette L. Day – Emer Serv Deploy Op – Police (Civilian)
SERVICE CREDIT	27-07
EFFECTIVE DATE	01-04-16
NAME, TITLE, DEPARTMENT	Ruth Esters – Office Support Spec – Water & Sewerage
SERVICE CREDIT	27-07
EFFECTIVE DATE	01-28-16
NAME, TITLE, DEPARTMENT	Rosam George – Engineer – Water & Sewerage
SERVICE CREDIT	25-07
EFFECTIVE DATE	01-30-16
NAME, TITLE, DEPARTMENT	Sunny Jacob – Manager -Water & Sewerage
SERVICE CREDIT	23-08
EFFECTIVE DATE	02-02-16
NAME, TITLE, DEPARTMENT	Kaydo D. Little – Team Leader – Water & Sewerage
SERVICE CREDIT	27-06
EFFECTIVE DATE	02-10-16
NAME, TITLE, DEPARTMENT	Aruna Mandava – Chemist – Water & Sewerage
SERVICE CREDIT	24-06
EFFECTIVE DATE	01-23-16
NAME, TITLE, DEPARTMENT	Annie Crispeena Philip – Team Leader – Water & Sewerage
SERVICE CREDIT	26-09
EFFECTIVE DATE	02-12-16
NAME, TITLE, DEPARTMENT	Glen E. Sherman – Spec Project Tech – Water & Sewerage
SERVICE CREDIT	27-06
EFFECTIVE DATE	01-02-16

EARLY RETIREMENTS – (Con't)

Yea: Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan – 7

Nay: None

Re: Vested Retirement(s)

Motion By: Trustee Hatty - Supported By: Trustee Nickleberry

RESOLVED, that the application(s) for **VESTED RETIREMENT** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Robert Johnson Austin – Building Attendant A – General Services
SERVICE CREDIT	17-09
EFFECTIVE DATE	01-01-16
NAME, TITLE, DEPARTMENT	Lorren Knight – Vehicle Operator III – General Services
SERVICE CREDIT	00-11
EFFECTIVE DATE	08-01-15

Yea: Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan – 7

Nay: None

Re: Change of Computation from Non-Duty/Duty Disability to Service Retirement

Motion By: Trustee Hatty – Supported By: Trustee Nickleberry

RESOLVED, that the application(s) for **CHANGE OF COMPUTATION FROM NON-DUTY/DUTY DISABILITY TO SERVICE RETIREMENT** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Donald A. Grinde – Emer Medical Tech – Fire (Civilian)
SERVICE CREDIT	28-06
EFFECTIVE DATE	01-01-16
NAME, TITLE, DEPARTMENT	Bernard Simpson – Env Control Inspect Environmental Affairs
SERVICE CREDIT	24-08
EFFECTIVE DATE	02-28-16

**Re: Change of Computation from Non-Duty/Duty Disability to Service Retirement –
(Con't)**

Yea: Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan – 7

Nay: None

Re: Receipts

The receipts which are referenced below were **Acknowledged**:

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT			
WEEKLY RECEIPTS FOR ACKNOWLEDGEMENT			
2/1/16 - 2/5/16			
REMITTER NAME	DATE POSTED	DESCRIPTION	AMOUNT
Meeting No. 4147 February 10, 2016			
RECEIPTS			
LIGHTSTONE VAL REIT	02/01/16	Distribution	153,101.81
EPICOR SOFTWARE CORP	02/01/16	Class Action Proceeds	209.17
MEDTRONIC INC	02/01/16	Class Action Proceeds	2,830.67
FIRST INDEPENDENCE BANK	02/01/16	Loan Deductions	51,455.32
FORT SHELBY	02/03/16	Remittance	177,659.42
TENET HEALTHCARE CORP	02/05/16	Class Action Proceeds	191.20
CITY OF DETROIT	02/01/16	Weekly Mandatory Pension Contribution	89,063.70
CITY OF DETROIT	02/01/16	Weekly Annuity Contribution	70,096.57
		TOTAL RECEIPTS	\$ 544,607.86

Re: Refunds of Accumulated Contributions

Motion By: Trustee Hatty - Supported By: Trustee Cetlinski

RESOLVED, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth on **List No. 7244** in the amount of **\$3,759,335.99** including interest, be **REFUNDED**, pending audit by the Retirement Systems' Accounting Staff.

Yea: Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan – 7

Nay: None

Re: Employee Loan Program

Motion By: Trustee Hatty – Supported By: Trustee Cetlinski

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of **\$29,594.00**, including interest, be hereby **APPROVED**.

Yea: Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan – 7

Nay: None

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, **Deborah A. Wilkerson**, presented the following to the Board for discussion:

Re: Plante & Moran Engagement Letter - Addendum

Motion By: Trustee Hatty – Supported By: Trustee Cowan

Motion to accept and approve Plante & Moran's Engagement Letter - Addendum, dated January 28, 2016 between the General and Police & Fire Retirement System of the City of Detroit, with respect to the services specified in the Scope of Services section of this engagement letter.

Yea: Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan – 7

Nay: None

~Concludes Assistant Executive Director's Report~

EXECUTIVE DIRECTOR'S REPORT

Executive Director, **Cynthia A. Thomas**, presented the following to the Board for discussion:

- Reduced Scheduled Board Meetings – cost savings analysis
- OCFO title change request

~Concludes Executive Director's Report~

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer, **Ryan Bigelow**, discussed the following updates:

- Review of the Investment Committee recommendations
 - a. River Place Apartments
 - b. Fixed Income Structure – provided by NEPC
 - c. Alpha Partners to Rhumbline

Re: Fixed Income Allocation

Motion By: Trustee Cowan – Supported By: Trustee Johnson

Motion to approve the fixed income allocation as recommended by the Investment Committee.

Yea: Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan – 7

Nay: None

~Concludes Chief Investment Officer's Report~

Re: Fees and Expenses

Resolution Moved By: Trustee Cowan - Supported By: Trustee Hatty

WHEREAS, the Board has been presented with the List of Disbursements for Board Approval which is referenced below requesting payment for Fees and Expenses, and

WHEREAS, the Board has been requested to approve payment of said Fees and Expenses; **THEREFORE BE IT**

RESOLVED, that subject to staff audit and approval of all Legal Fees by the Board's General Counsel, the Board **APPROVE** payment of the following Fees and Expenses:

GENERAL RETIREMENT SYSTEM
CITY OF DETROIT

MEETING NO. 4147
FEBRUARY 10, 2016

Re: Fees and Expenses – (Con't)

PAYEE	DATE	INVOICE NO.	DESCRIPTION	AMOUNT
MANAGEMENT FEES:				
BANYAN REALTY ADVISORS, LLC	2/8/2016		Advisory Fees - 4Q15	\$20,612.62
BNY MELLON ASSET SERVICING	1/25/2016		Service Fees - 4Q15, Invoice # 508209	\$46,678.83
BRANDYWINE GLOBAL INVESTMENT MANAGE	1/26/2016	20151231-228-333-A	Management Fees - 4th Qtr '15	\$19,138.66
DEROY & DEVEREAUX	1/19/2016	4Q15	Management Fees - 4th Qtr '15	\$22,922.00
PRUDENTIAL	1/26/2016	3Q15	Management Fees - 3rd Qtr '15	\$54,786.57
PRUDENTIAL	1/26/2016	4Q15	Management Fees - 4th Qtr '15	\$55,577.07
Subtotal				\$219,715.75
ADMINISTRATIVE EXPENSES:				
500 WEBWARD LLC	1/28/2016	651188	Electrical Billing 12/31/15-1/28/16 meter # 93052937	\$1,129.62
500 WEBWARD LLC	1/28/2016	651187	Electrical Billing 12/31/15-1/28/16 meter # 87249577	\$404.61
500 WEBWARD LLC	1/28/2016	651186	Electrical Billing 12/31/15-1/28/16 meter # 65750763	\$911.13
ADP, INC	1/29/2016	468033685	Check Printing Services	\$265.70
ADP, INC	1/22/2016	467775733	Check Printing Services	\$119.63
ALLEGRA	1/29/2016	92218	Office Supplies	\$452.50
BASSETT & BASSETT	1/27/2016	W012716	Web Development December 2015	\$4,518.73
BASSETT & BASSETT	1/27/2016	012716	Media Consultant December 2015	\$5,494.05
CINTAS CORPORATION-300	1/27/2016	300440403	Floor Mats	\$54.26
FEDEX	2/3/2016	5-307-89163	FedEx Mailings	\$66.41
FORMS TRAC ENTERPRISES, INC	2/8/2016	63396	Printing Services	\$32.07
IT STAFF WAGES	1/31/2016		IT Staff Wages for January 2016	\$63,775.31
MERCURY STORAGE	2/4/2016	16428	Maintenance	\$966.95
PREFERRED DATA SYSTEMS, LLC	1/31/2016	23248	Computer Support, Equipment	\$4,192.50
UHY ADVISORS MI INC	1/31/2016		Prof Accounting Svcs - 1/16/16-1/31/16, Inv # 1158666	\$25,528.12
UNIVERSAL SYSTEM TECHNOLOGIES INC	2/5/2016	2105244	IT Staff Salary for Scott Vrooman - December 2015	\$745.87
Subtotal				\$108,657.46
OTHER EXPENSES:				
BANYAN REALTY ADVISORS LLC	2/8/2016		2016 Operating Expenses Budget for GRS Oasis	\$50,000.00
PAYEE	DATE	INVOICE NO.	DESCRIPTION	AMOUNT
Subtotal				\$50,000.00
Total Disbursements for Board Approval				
				\$378,373.21

Yea: Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan – 7

Nays: None

GENERAL COUNSEL'S REPORT

General Counsel, **Michael VanOverbeke**, submitted a legal report for discussion:

- Re: Karen Golston – recoupment of overpayment
- Normal Retirement Age memo – the IRS published a recent publication of a proposed regulation regarding the “Normal Retirement Age” rules for governmental pension plans. (Informational)

Re: CEM Benchmarking

Motion By: Trustee Hatty – Supported By: Trustee Cetlinski

Motion to consider moving forward with the administrative report with CEM Benchmarking.

Yea: Benson, Cetlinski, Hatty, Johnson, Nickleberry – 5

Nay: Cowan, Sheehan – 2

Re: ICG Leaseback Fund I, LLC Mezzanine Loan

Resolution Moved By: Trustee Hatty – Supported By: Trustee Nickleberry

WHEREAS, the Board of Trustees is in receipt of a confidential memorandum from Special Counsel Sean Gallagher of Clark Hill PLC concerning the status of the Retirement System's "mezzanine" loan, along with the Police and Fire Retirement System of the City of Detroit, in the ICG Leaseback Fund I, LLC investment ("Leaseback"); and

WHEREAS, AXA Equitable Life Insurance Company ("AXA"), the first priority lender in Leaseback, has requested, through counsel, that both the Retirement Systems, in addition to the borrower, ICG Leaseback Fund I, LLC (the "Borrower"), authorize release of escrowed lease payments; direct use of \$7.5 million of those escrowed lease payments for use as the "Tenant Reserve Requirement" under the loan documents; and provide wire instructions for transferring the remainder of the escrowed funds to the Retirement Systems; and

WHEREAS, the Board desires to release and receive its portion of escrowed lease payment funds from Leaseback; and

WHEREAS, the Board has been advised by the Executive Director and General Counsel in this matter, and

WHEREAS, the Board has considered this matter in open session;

NOW THEREFORE BE IT RESOLVED, that the Board, expressly contingent on similar authorization by the Police and Fire Retirement System of the City of Detroit, authorizes release of escrowed lease payments related to Leaseback (i) to first satisfy the Tenant Reserve Requirement under the Leaseback loan documentation; (ii) to next release remaining funds to the Retirement Systems; and (iii) authorizes the Executive Director,

Re: ICG Leaseback Fund I, LLC Mezzanine Loan – (Con't)

General Counsel and Special Counsel, to communicate the necessary wire information to AXA, and take other actions necessary to effectuate this Board action; and

FURTHER RESOLVED, that a copy of this resolution will be forwarded AXA, Lou Vogt, Special Counsel, and the Police and Fire Retirement System of the City of Detroit.

Yea: Benson, Cetlinski, Cowan, Hatty, Johnson, Nickleberry and Sheehan – 7

Nays: None

Update:

- Re: Great Lakes Water Authority – Hybrid Plan – (Informational)
Retirees who should receive interest or no interest to their annuity. General Counsel will look further into this matter.
- Re: Lou Hatty and Felicia Johnson's status as Trustees
This matter will be addressed when there's full Board Members.

~Concludes General Counsel's Report~

NEW/OLD BUSINESS

- Rhumbline: Is in transition. A recommendation to the Board will be forthcoming.
- Hedge funds will be in April.
- Lou Vogt, of Banyan Realty, will appear before the Board in two weeks.
- Executive Director's recommendation re: Cost savings

ADJOURNMENT

There being no further business before the Board, **Interim Chair Sheehan** adjourned the meeting at 2:25 p.m. The Board's next meeting is scheduled for **Wednesday, February 17, 2016**, at 10:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



DEBORAH A. WILKERSON
ASSISTANT EXECUTIVE DIRECTOR